

The minutes set forth are an unofficial copy of this month's board meeting minutes. For an official (signed) copy please contact the Authority.

IOWA FINANCE AUTHORITY BOARD MEETING MINUTES

**Iowa Hospital Association Education Center
November 10, 2004**

BOARD MEMBERS PRESENT

Vincent Lintz, Chair	Roger Caudron (via telephone)
Kay Anderson, Vice Chair (via telephone)	Heather Kramer
Carmela Brown, Treasurer	Douglas Walter
Steve Adams (via telephone)	Dick Wright
Virginia Bordwell	

STAFF MEMBERS PRESENT

Michael Tramontina, Executive Director	Glenda Gaumer, Senior Housing Compliance Specialist
Lori Beary, Community Development Finance Officer	Steven Harvey, Comptroller
Roger Brown, Director of HUD Programs, Section 8 Contract Administration	Tim Morlan, Underwriter
Mickey Carlson – Single Family Program Manager	Sharon Murphy, Housing Specialist HAF/HIRE
Donna Davis, Deputy Director, Director of Housing Programs	Julie Noland, Director of Administrative Services
Leo Duffy, Construction Analyst	Loyd Ogle, Director, Title Guaranty Division
Monica Fischer, Public Information Officer	Carla Pope, Service Enriched Housing Director
Alyson Fleming, Administrative Assistant	Tracy Scebold, Housing Allocation Manager
	James Smith, General Counsel
	Tim Waddell, Tax Credit Manager
	Nancy Wallis, Administrative Assistant
	Vicky Winter, Legal Secretary

OTHERS PRESENT

Kristi Boyce – Wells Fargo Bank Iowa, NA	Joe O'Hern – Fannie Mae, Iowa Partnership Office
Quentin Boyken – Belin, Lamson, McCormick, Zumbach, Flynn Law Firm	Lisa Reidburn – Wells Fargo Bank, NA
Jim Conlin – Conlin Properties	Michele Stromp – KPMG
Joni DeVries – Wells Fargo Bank Iowa, NA	David VanSickel – Davis, Brown, Koehn Law Firm
Marty Gross – Merrill Lynch	Terry Vestal – IDED
Ralph Gross – Merrill Lynch	
Nicole Jones – State Treasurer's Office	
Nicci Lamb - KPMG	

CALL TO ORDER

Chair Lintz called to order the November 10, 2004 meeting of the Iowa Finance Authority (IFA) Board of Directors at 10:54 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Anderson, Adams, Brown, Bordwell, Caudron, Kramer, Walter and Wright.

REVIEW AND APPROVAL OF MINUTES

September 8, 2004 - Board Meeting

Chair Lintz introduced the minutes of the September 8, 2004 meeting of the Iowa Finance Authority Board of Directors. Chair Lintz noted the minutes were originally approved by the Board at the October meeting, however, it was discovered that only four voting members were present for approval of the minutes. He stated approval of the minutes requires the vote of five members of the Board.

MOTION: On a motion by Mr. Walter and a second by Mr. Caudron, the Board unanimously approved the minutes of the September 8, 2004 meeting. Ms. Bordwell abstained from voting on the minutes citing her absence from the September 8, 2004 meeting.

October 06, 2004 – Board Meeting

Chair Lintz introduced the minutes of the October 6, 2004 meeting of the Iowa Finance Authority Board of Directors.

Mr. Wright stated he would like to see the inclusion of a statement referring to the request for staff to monitor the process required for annual tenant recertification in low income housing tax credit projects.

MOTION: On a motion by Ms. Bordwell and a second by Ms. Brown, the Board unanimously approved the minutes of the October 6, 2004 meeting with the inclusion of the reference to staff to monitor the process required for annual tenant recertification in low income housing tax credit projects.

ADMINISTRATION/MANAGEMENT REPORT

Summary & Overview

Mr. Tramontina introduced the newest member of the Authority Board of Directors, Ms. Heather Kramer, a Realtor from Marion, Iowa.

Ms. Kramer gave a brief report on her background and employment.

Mr. Tramontina reported that at the annual meeting of the National Council of State Housing Agencies (NCSHA) the Authority received two awards, one in the category of Management Innovation in Technological Innovation for the mortgage lender training held through the ICN and one in the category of Legislative Campaign for the reversal of the scoop of \$15 million and an award of \$7 million from the Senior Living Trust Fund. He stated the appropriation of \$7 million is the first appropriation to the Authority by the General Assembly since 1995.

Mr. Tramontina said the staff should be very proud of the awards.

Mr. Caudron congratulated the staff on the awards.

Quarterly Report - FY 2005 Performance Plan

Mr. Tramontina referred to the written report included in the Board materials.

Mr. Wright inquired on the first quarter results and once an item had been completed whether it would remain on the report for the remaining quarters of the year.

Mr. Tramontina stated the completed items would be included on the report for reference purposes for the remaining quarters.

Mr. Walter stated he liked the format of the report.

Administrative Services Report

Ms. Noland referred to the handout included in the Board materials.

LEGAL / REGULATORY

Mr. James Smith stated he had no report.

FINANCE AND ACCOUNTING

In the absence of Mr. Bret Mills, Mr. Steven Harvey made the Finance and Accounting report to the Board.

Finance Update

Mr. Harvey updated the Board on the first quarter financial performance. He said approval of the audit will be presented to the Board at the December meeting.

KPMG Audit

Mr. Harvey introduced Ms. Michele Stromp and Ms. Nicci Lamb of KPMG. Ms. Stromp thanked the staff for its cooperation during the audit process. She said KPMG has given its unqualified opinion, which is the highest opinion per professional standards. Ms. Stromp stated internal controls were examined and found to be in place and operating as designed. She referred to the bound booklet distributed to the Board.

Mr. Tramontina complimented Mr. Mills and Mr. Harvey and the accounting staff for their work on the audit, which was completed one month earlier than the 2003 audit.

COMMUNITY / ECONOMIC DEVELOPMENT /STATE REVOLVING FUND (SRF) PROGRAM

Economic Development Loan Program

ED. Loan #04-07, Friendship Haven, Inc. Project

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$26,000,000 in Iowa Finance Authority Retirement Community Revenue Bonds for Friendship Haven in Fort Dodge. She said a public hearing was held for this project last month; however, the first public hearing notice did not mention that some of the bond proceeds will be used for capital improvements to existing facilities in addition to new construction. Ms. Beary stated this public hearing notice states that the bonds will be used to (a) construct 56 independent living apartments, 48 assisted living apartments, a fitness center and a multipurpose room, (b) financing the costs of capital improvements to exiting facilities and structures, and (c) paying for interest and costs of issuance.

Public Hearing

Chair Lintz opened the public hearing at 11:29 a.m. regarding the issuance of an aggregate amount not to exceed \$26,000,000 in Iowa Finance Authority Retirement Community Revenue Bonds for Friendship Haven in Fort Dodge. Ms. Beary stated the Authority had received no verbal or written comments regarding the project. There being no verbal or written comments from the audience, Chair Lintz closed the public hearing at 11:30 a.m.

Ms. Beary introduced the resolution amending the authorization for \$26,000,000 in Iowa Finance Authority Retirement Community Revenue Bonds for Friendship Haven in Fort Dodge. She said this resolution amends the project description to include the capital improvements to existing facilities.

Resolution #04-07B-1

MOTION: Mr. Adams made a motion approving the amendment to resolution #04-07B which is amended to include the use of bond proceeds for capital improvements to existing facilities in addition to new construction. On a second by Mr. Wright, the Board unanimously approved Resolution #04-07B-1.

ED. Loan #02-09, Townview Limited Partnership Project

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$1,270,000 in Iowa Finance Authority Multifamily Housing Revenue Bonds for Townview Limited Partnership in Sioux City. She said the bonds will be used to acquire and rehabilitate a 30-unit affordable family housing project in Sioux City. Ms. Beary stated this is an existing project-based Section 8 property which will require Private Activity Bond Cap.

Public Hearing

Chair Lintz opened the public hearing at 11:31 a.m. regarding the issuance of an aggregate amount not to exceed \$1,270,000 in Iowa Finance Authority Multifamily Housing Revenue Bonds for Townview Limited Partnership in Sioux City. Ms. Beary stated the Authority had received no verbal or written comments regarding the project. There being no verbal or written comments from the audience, Chair Lintz closed the public hearing at 11:32 a.m.

Ms. Beary introduced the authorizing resolution for \$1,270,000 in Iowa Finance Authority Multifamily Housing Revenue Bonds for Townview Limited Partnership in Sioux City. She said the inducement resolution for this project was adopted at the June 2, 2002 meeting.

Resolution #02-09B

MOTION: Mr. Caudron made a motion approving the authorizing resolution for \$1,270,000 in Iowa Finance Authority Multifamily Housing Revenue Bonds for Townview Limited Partnership in Sioux City. On a second by Ms. Bordwell, the Board unanimously approved resolution #02-09B.

ED. Loan #02-10, Centennial Manor Limited Partnership Project

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$1,859,000 in Iowa Finance Authority Multifamily Housing Revenue Bonds for Centennial Manor Limited Partnership in Sioux City. She said the bonds will be used to acquire and rehabilitate an 80-unit affordable senior housing project in Sioux City. Ms. Beary stated this is an existing project-based Section 8 property which will require Private Activity Bond Cap.

Public Hearing

Chair Lintz opened the public hearing at 11:33 a.m. regarding the issuance of an aggregate amount not to exceed \$1,859,000 in Iowa Finance Authority Multifamily Housing Revenue Bonds for Centennial Manor Limited Partnership in Sioux City. Ms. Beary stated the Authority had received no verbal or written comments regarding the project. There being no verbal or written comments from the audience, Chair Lintz closed the public hearing at 11:34 a.m.

Ms. Beary introduced the authorizing resolution for \$1,859,000 in Iowa Finance Authority Multifamily Housing Revenue Bonds for Centennial Manor LP in Sioux City. She said the inducement resolution was adopted at the September 8, 2004 Board meeting.

Resolution #02-10-B

MOTION: Mr. Caudron made a motion approving the authorizing resolution for \$1,859,000 in Iowa Finance Authority Multifamily Housing Revenue Bonds for Centennial Manor LP in Sioux City. On a second by Mr. Walter, the Board unanimously approved resolution #02-10B.

ED. Loan #649 Care Initiatives

Ms. Beary introduced a resolution to amend the Loan Agreement for Care Initiatives \$84,185,000 Health Facilities Development Revenue Bonds that were issued in 1996. She said at the time the bonds were issued, the IRS had a requirement that not more than 20% of the members of the board of directors of the Borrower may also be officers or employees of the Borrower. Ms. Beary reported the IRS has since provided guidance that less than a majority of the members of the board of directors should consist of officers or employees of the Borrower. She said this amendment allows the loan agreement to be amended to reflect this change and states that no more than 49% of the board will be officers and employees of the Borrower.

Resolution #649D

MOTION: Mr. Wright made a motion authorizing the amending resolution for Care Initiatives \$84,185,000 Health Facilities Development Revenue Bonds that were issued in 1996. On a second by Mr. Walter, the Board unanimously approved resolution #649D.

Resolution Authorizing UST Bonds

Ms. Beary introduced a resolution authorizing the issuance of \$23,000,000 in Underground Storage Tank Fund Revenue Refunding Bonds. She said the proceeds of the bonds will be used to refund the outstanding 1994 bonds.

MOTION: Ms. Brown made a motion approving the issuance of \$23,000,000 in Underground Storage Tank Fund Revenue Refunding Bonds. On a second by Ms. Anderson, the Board unanimously approved the resolution authorizing UST Bonds.

State Revolving Fund (SRF) Program

Resolution Authorizing Amended and Restated Agreement

Ms. Beary introduced the memorandum of understanding between IFA and DNR, approved and signed by the directors of both agencies. She said this reflects the changes in responsibilities recommended at the Governor's Water Summit and in the Kaizen event. Ms. Beary stated this agreement is only for the Clean Water SRF. She said after the new process has been worked out, it is anticipated a similar agreement will be drafted for the Drinking Water SRF. Ms. Beary stated there are no major differences between the draft MOU distributed with the Board packet last month and this final agreement.

MOTION: Ms. Anderson made a motion approving the resolution Authorizing the Amended and Restated Agreement between the Authority and the Department of Natural Resources. On a second by Mr. Walter, the Board unanimously approved the agreement.

Mr. Tramontina stated representatives from the DNR will be invited to the December meeting.

HOUSING PROGRAMS

Ms. Davis introduced the newest member of the Authority staff, Mr. Leo Duffy, hired as a construction analyst. Mr. Duffy gave a brief report on his background, education and employment.

Single Family

Single Family Status Delinquency, and Activity Reports

Ms. Davis referred to the written summary included in the Board materials.

Multifamily

Multifamily Preservation

Ms. Davis referred to the written summary included in the Board materials.

Section 8 Contract Administration

Ms. Davis referred to the written summary included in the Board materials.

Grants

Ms. Davis said there was no report.

TITLE GUARANTY DIVISION (TGD)

Mr. Ogle referred to the handout included in the Board materials.

POLICY / LEGISLATION

In the absence of Mr. Dennis Dietz, Mr. Tramontina made the Policy and Legislation report to the Board. He referred to the handouts included in the Board materials.

COMMUNICATIONS

Ms. Monica Fischer referred to the handouts in the Board packets and updated the Board on upcoming conferences and events, as well as news articles that would appear in the near future.

MISCELLANEOUS ITEMS

Receive Comments from General Public

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no one in the audience wishing to address the Board, Chair Lintz closed the public comment period.

Next Month

The next regular meeting will be held on December 1, 2004, at 10:45 a.m. at the Hotel Fort Des Moines.

ADJOURNMENT

There being no further business, on a motion by Mr. Walter and a second by Mr. Caudron, the November meeting of the Iowa Finance Authority Board of Directors adjourned at 12:25 p.m.

Dated this 1st day of December, 2004.

Respectfully submitted:

Approved as to form:

Michael L. Tramontina
Executive Director
Iowa Finance Authority

Vincent Lintz, Vice Chair
Iowa Finance Authority